



## Copyright Office

[Docket No. 2023-7]

### Notice of Intent to Audit

**AGENCY:** U.S. Copyright Office, Library of Congress.

**ACTION:** Public notice.

**SUMMARY:** The U.S. Copyright Office is announcing receipt of a notice of intent to conduct an audit pursuant to the section 115 blanket license.

**FOR FURTHER INFORMATION CONTACT:** Rhea Efthimiadis, Assistant to the General Counsel, by email at [meft@copyright.gov](mailto:meft@copyright.gov) or telephone at 202-707-8350.

### SUPPLEMENTARY INFORMATION:

The Orrin G. Hatch-Bob Goodlatte Music Modernization Act (the “MMA”) substantially modified the compulsory “mechanical” license for reproducing and distributing phonorecords of nondramatic musical works under 17 U.S.C. 115.<sup>1</sup> It did so by switching from a song-by-song licensing system to a blanket licensing regime that became available on January 1, 2021 (the “license availability date”), administered by a mechanical licensing collective (the “MLC”) designated by the Copyright Office (the “Office”).<sup>2</sup> Digital music providers (“DMPs”) are able to obtain this new statutory mechanical blanket license (the “blanket license”) to make digital phonorecord deliveries of nondramatic musical works, including in the form of permanent downloads, limited downloads, or interactive streams (referred to in the statute as “covered activity” where such activity qualifies for a blanket license), subject to various requirements, including reporting and payment obligations.<sup>3</sup> The MLC is tasked with collecting royalties from

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<sup>1</sup> Public Law 115-264, 132 Stat. 3676 (2018).

<sup>2</sup> 17 U.S.C. 115(d).

<sup>3</sup> *Id.*

DMPs under the blanket license and distributing them to musical work copyright owners.<sup>4</sup>

In connection with the new blanket license, the MMA also provides for certain audit rights. Under the MMA, the MLC may periodically audit DMPs operating under the blanket license to verify the accuracy of royalty payments made by DMPs to the MLC.<sup>5</sup> Likewise, musical work copyright owners may periodically audit the MLC to verify the accuracy of royalty payments made by the MLC to copyright owners.<sup>6</sup> To commence an audit, a notice of intent to conduct an audit must be filed with the Office and delivered to the party(ies) being audited.<sup>7</sup> The Office must then cause notice to be published in the Federal Register within 45 days of receipt.<sup>8</sup>

On November 9, 2023, the Office received a notice of intent to conduct an audit of the MLC from Bridgeport Music, Inc. for the period of January 1, 2021, through December 31, 2023.

**Dated:** December 11, 2023.

**Suzanne V. Wilson,**

*General Counsel and Associate Register of Copyrights.*

**[Billing Code 1410-30-P]**

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<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at 115(d)(4)(D).

<sup>6</sup> *Id.* at 115(d)(3)(L).

<sup>7</sup> *Id.* at 115(d)(3)(L)(i)(IV), (d)(4)(D)(i)(IV).

<sup>8</sup> *Id.* at 115(d)(3)(L)(i)(IV), (d)(4)(D)(i)(IV).